

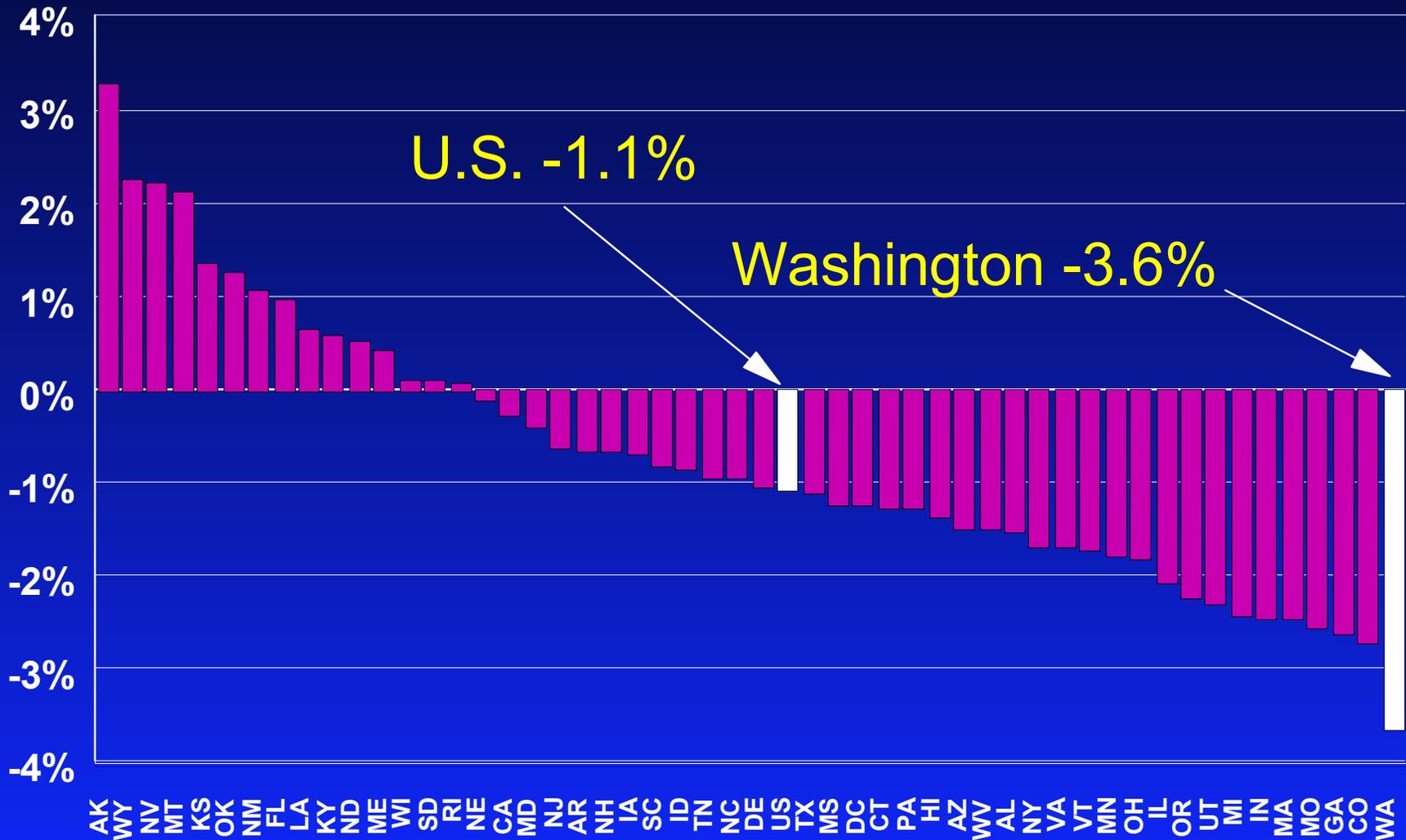
Washington State Economic Outlook

Northwest Economic Outlook Symposium
November 15, 2002

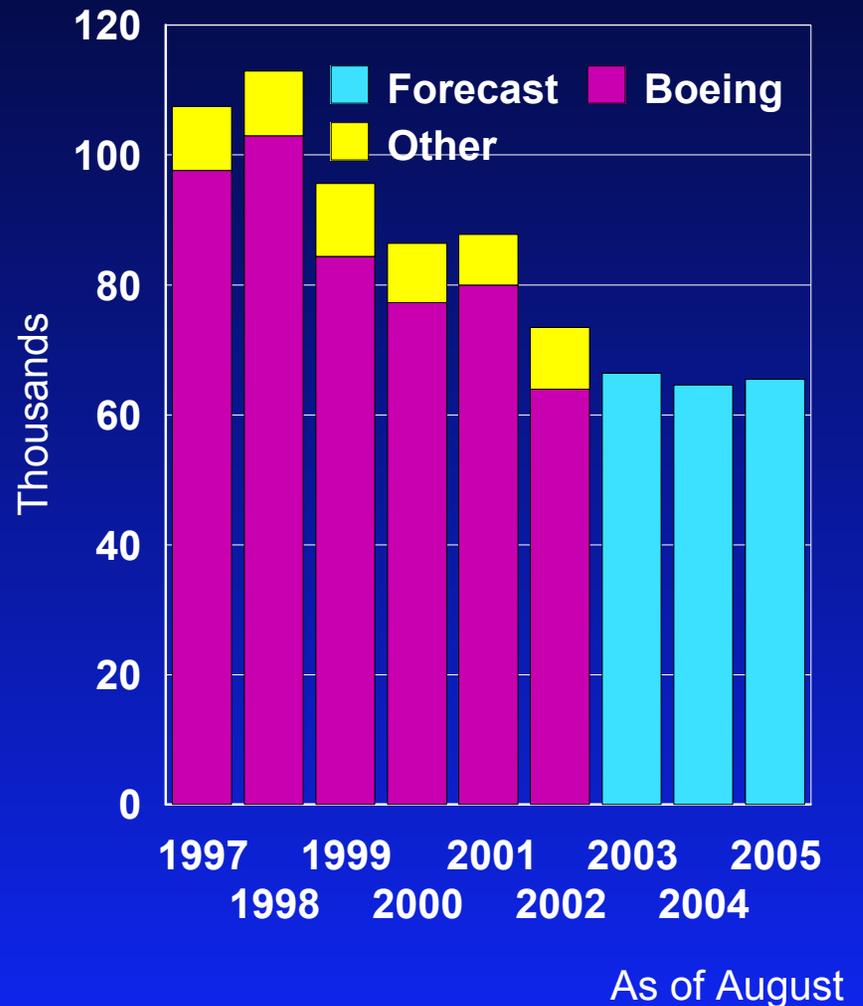
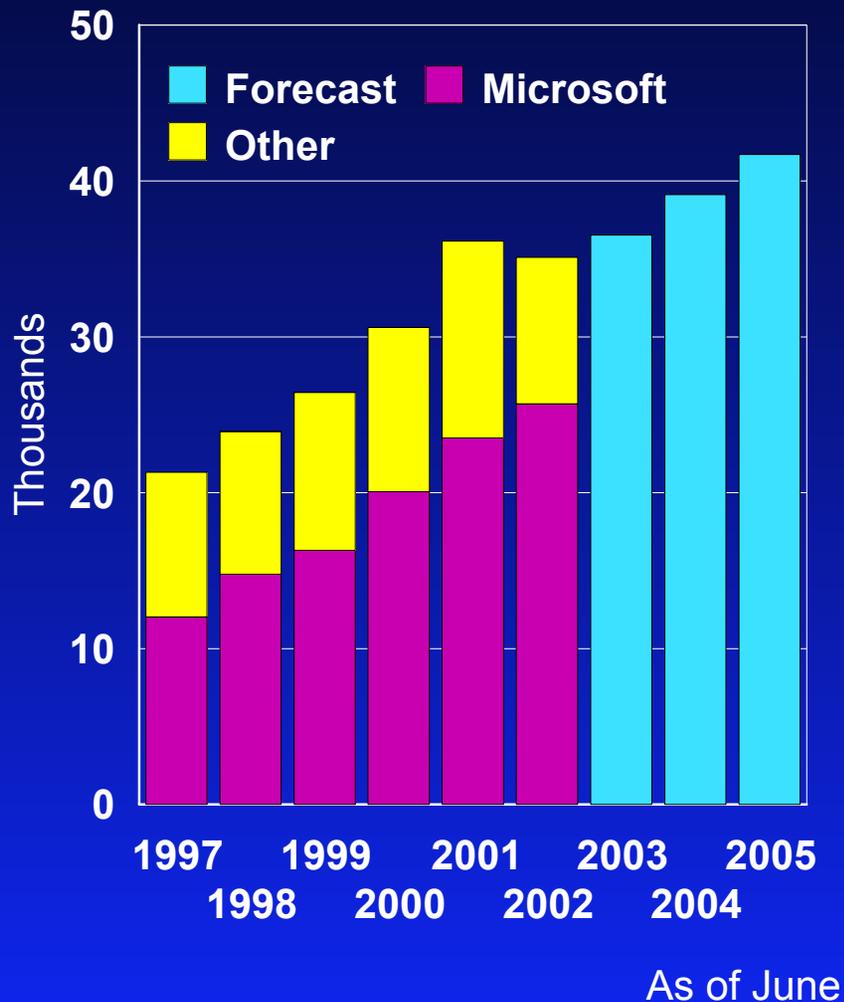
Bret Bertolin
Senior Economic Forecaster
Office of the Forecast Council
www.wa.gov/ofc

2001-02 Employment Growth

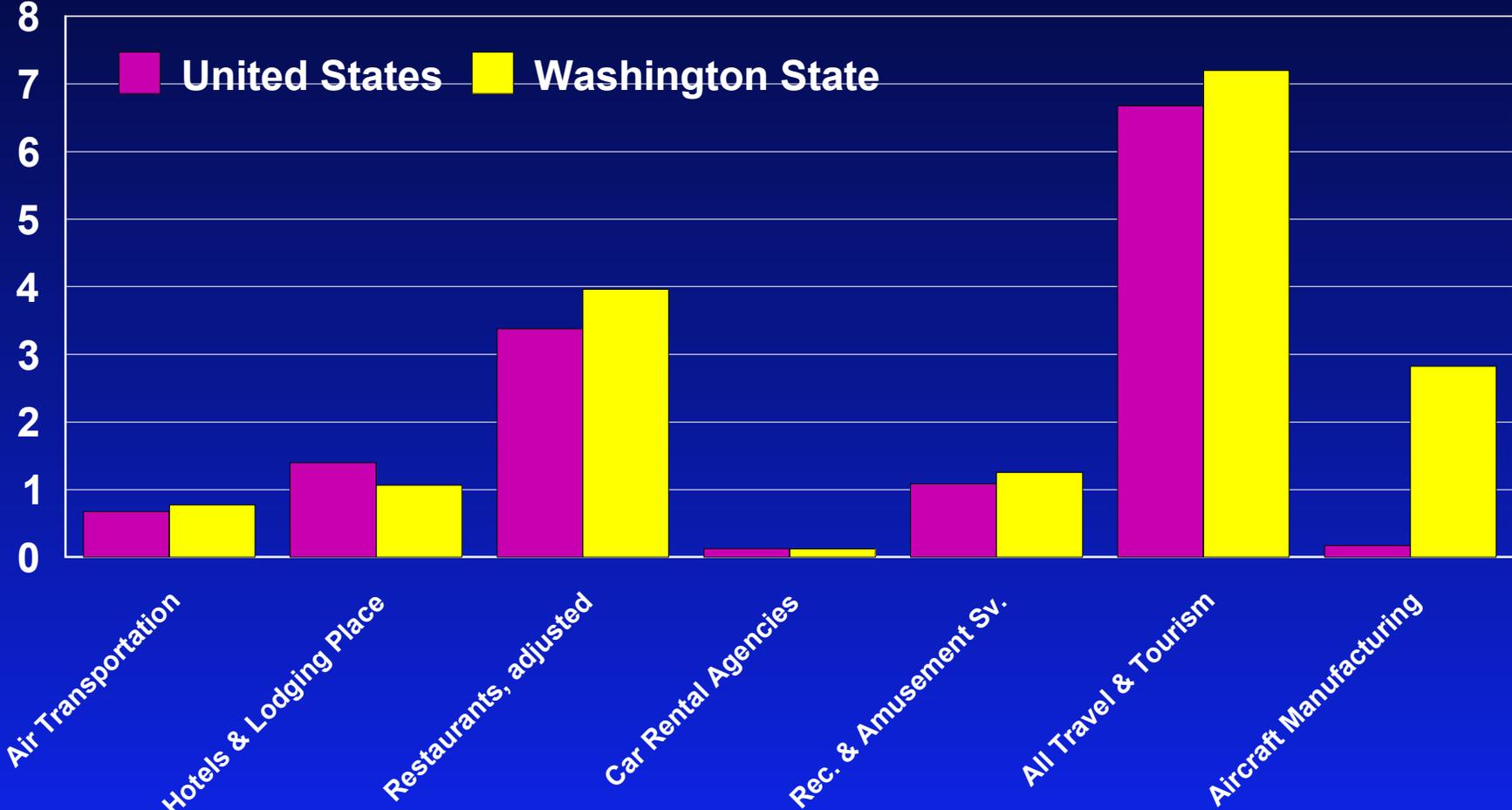
December 2000 through September 2002



Key Employment Sectors are Dominated by Single Firms

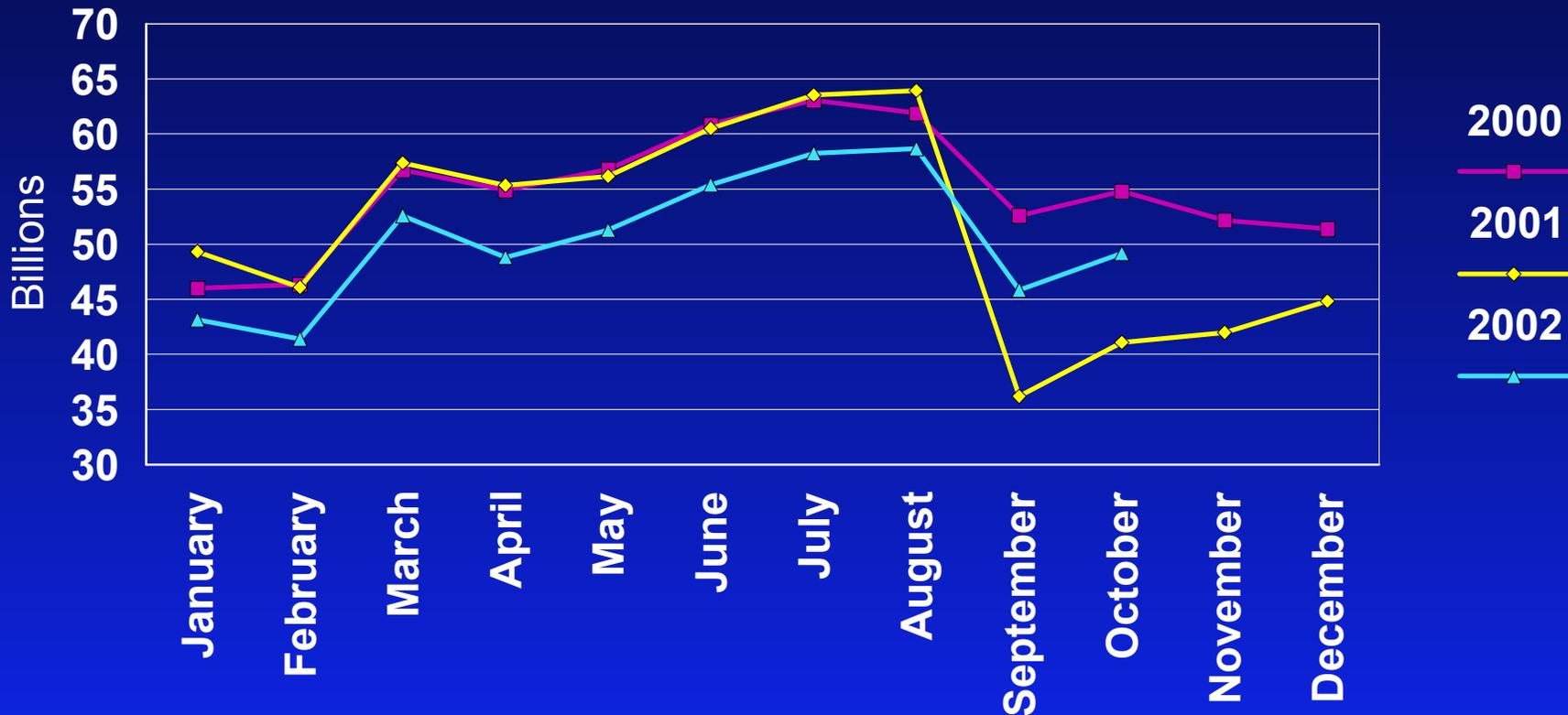


Exposure to Transportation Industries



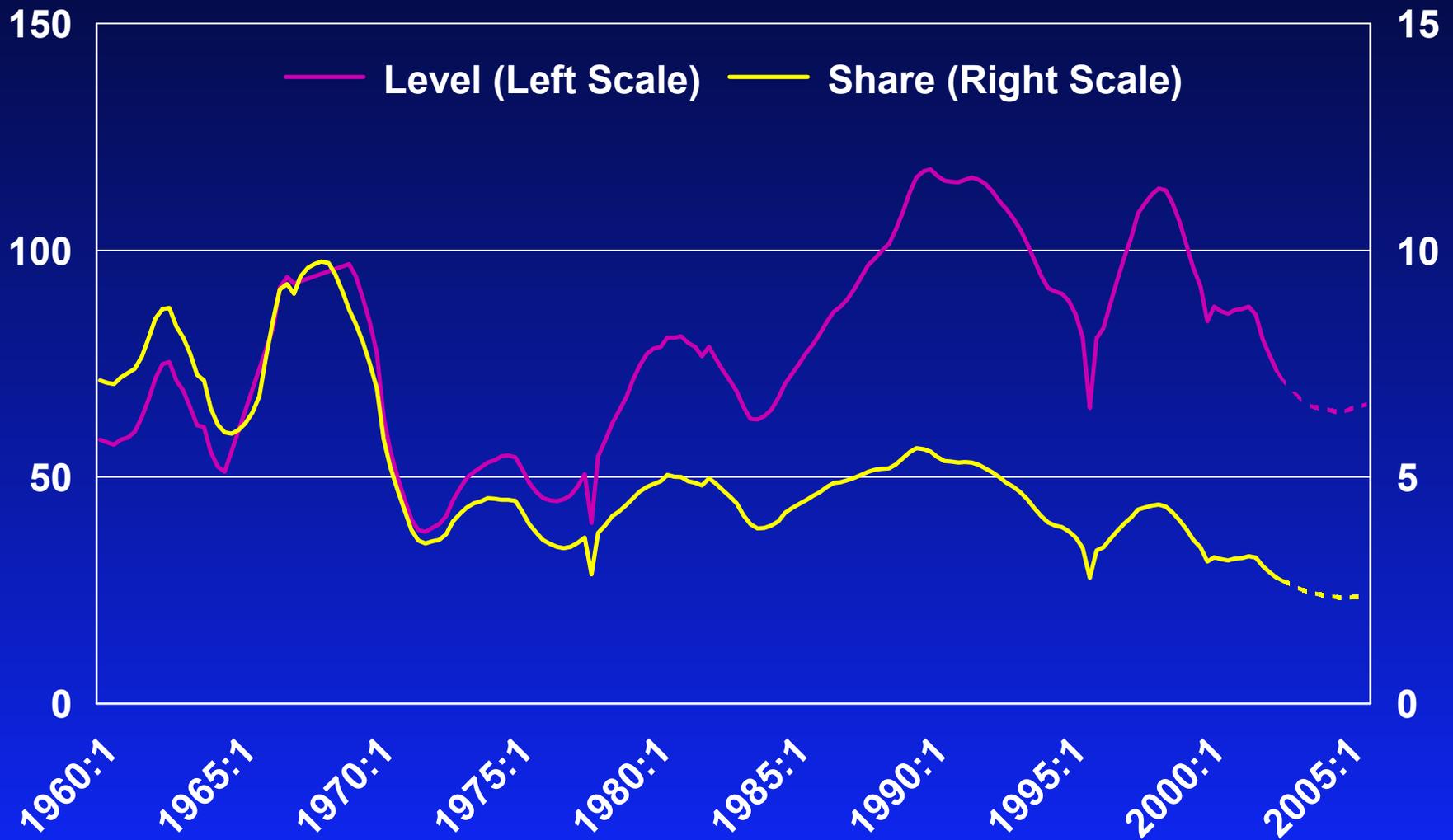
Air Travel Plummeted In the Wake of September 11

System Revenue Passenger Miles

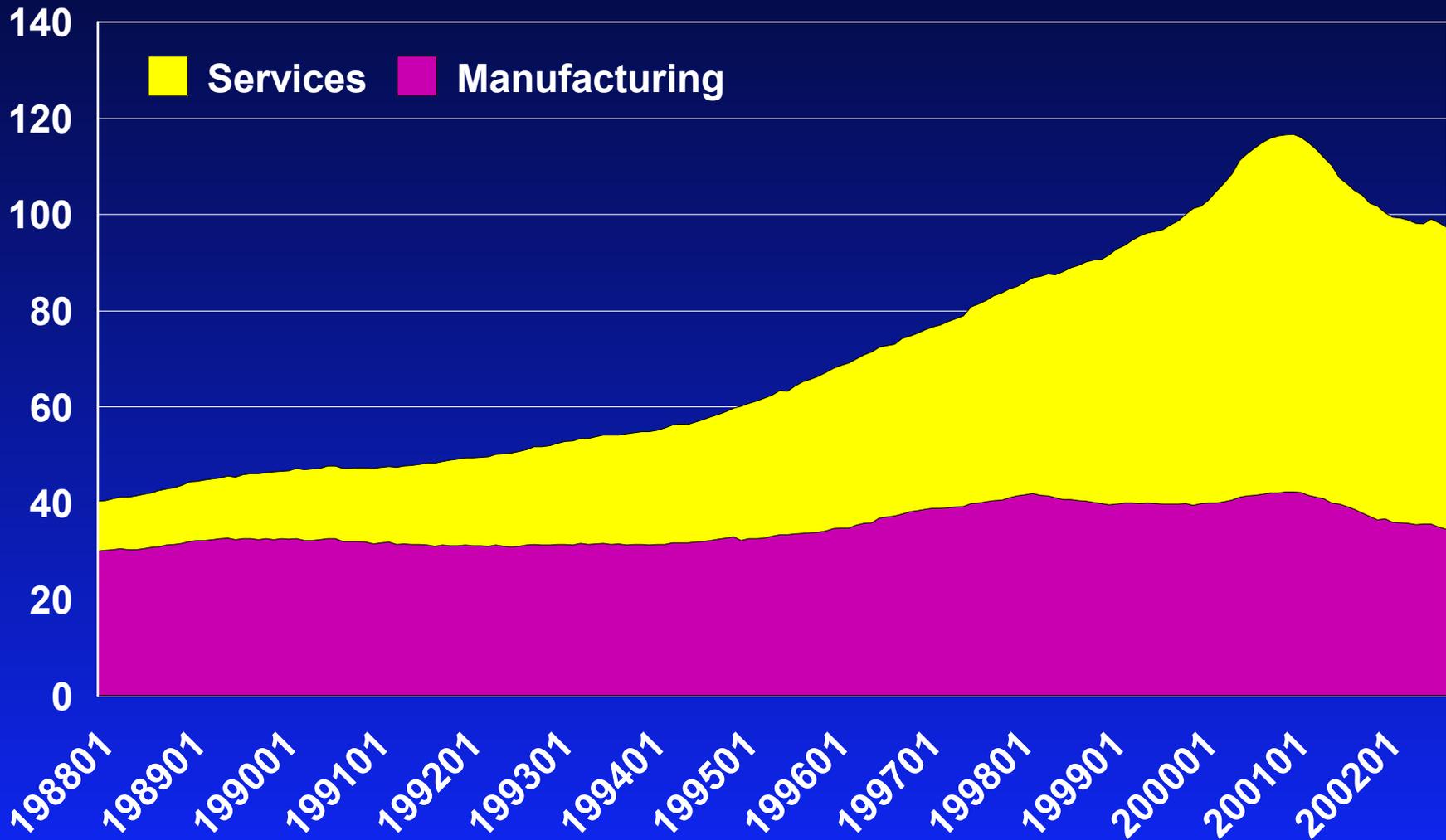


Source: Air Transport Association

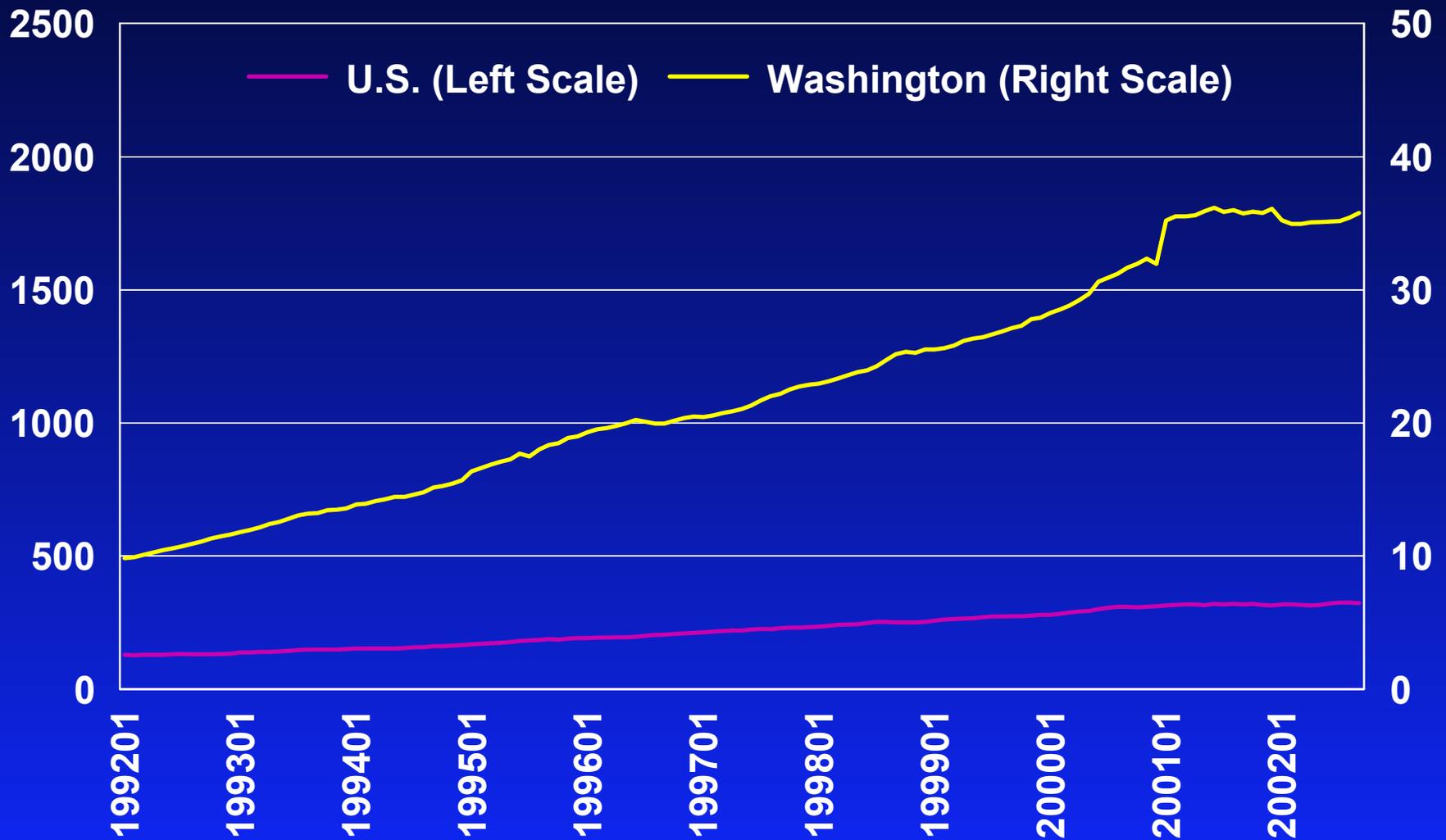
Washington Aerospace Employment



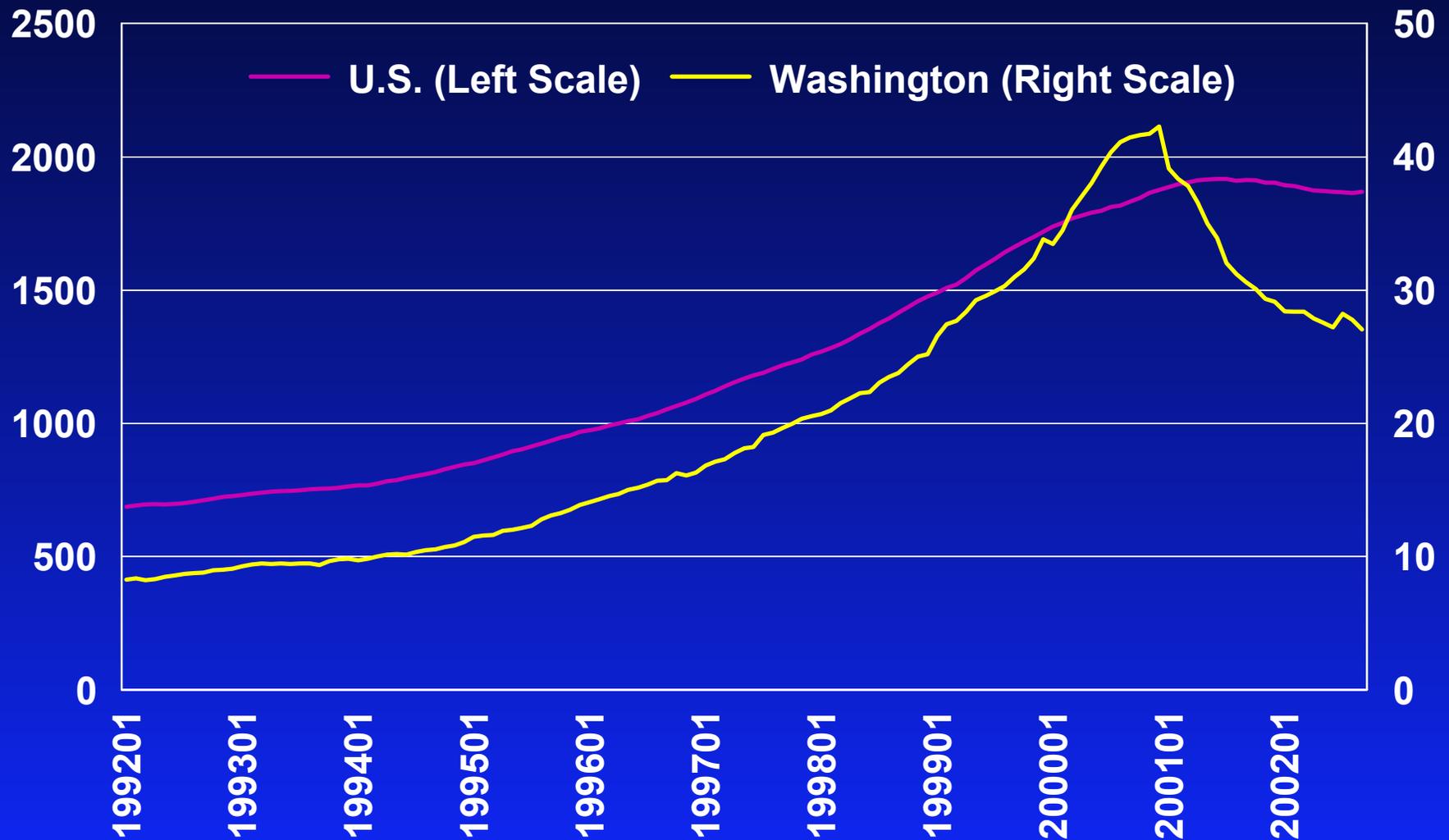
High Tech Employment in Washington



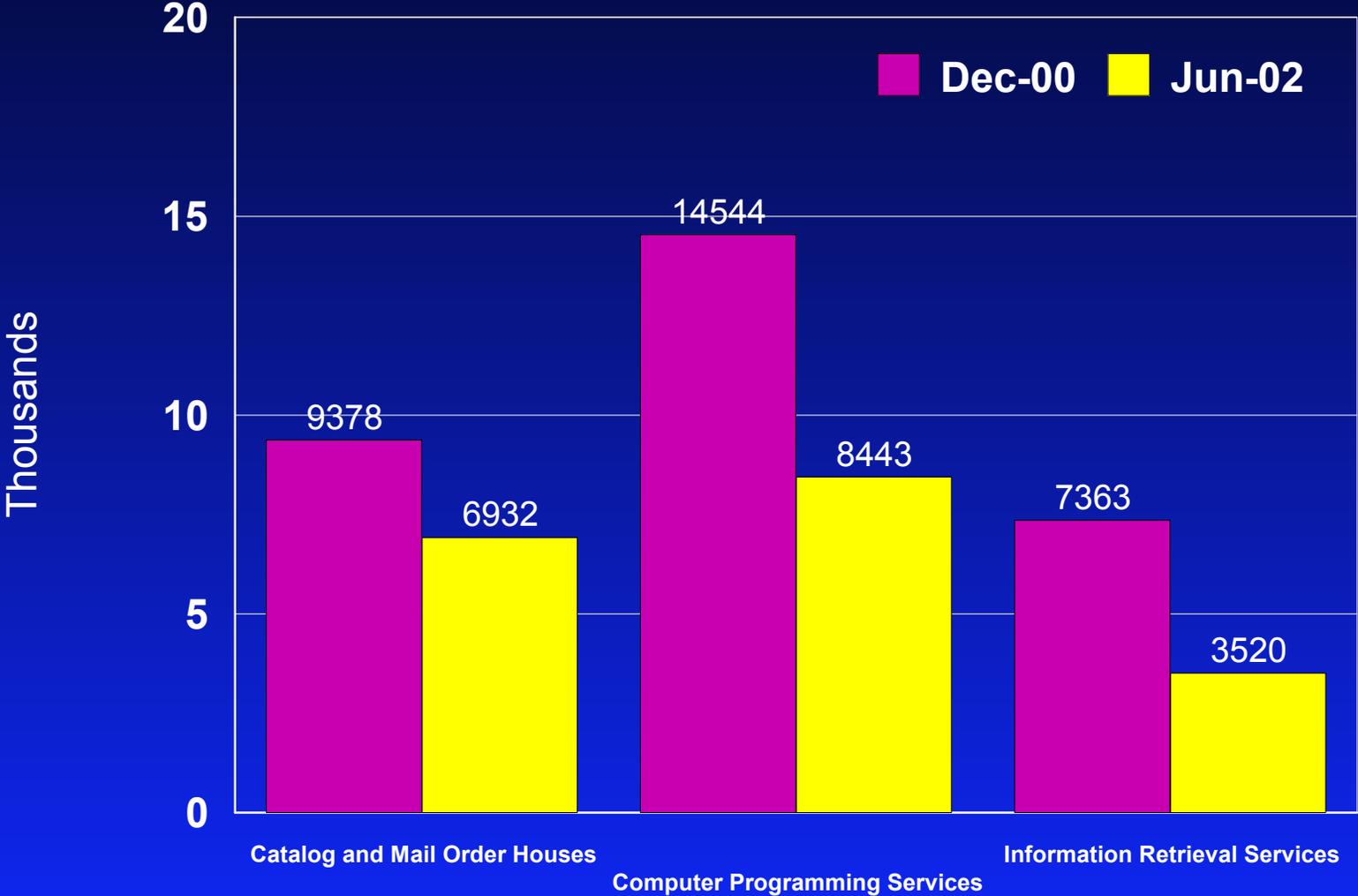
Prepackaged Software



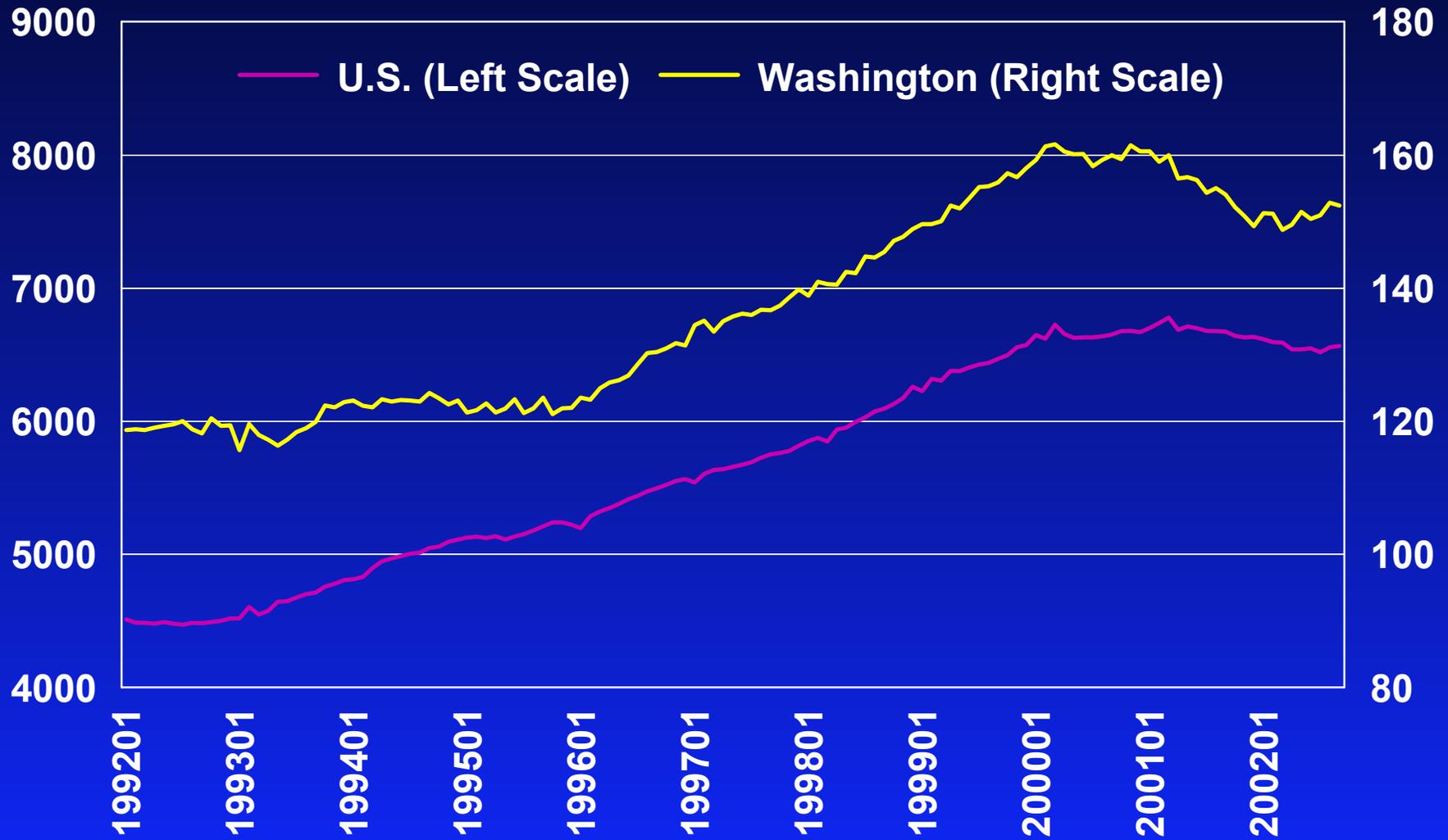
Computer Services Excl. Software



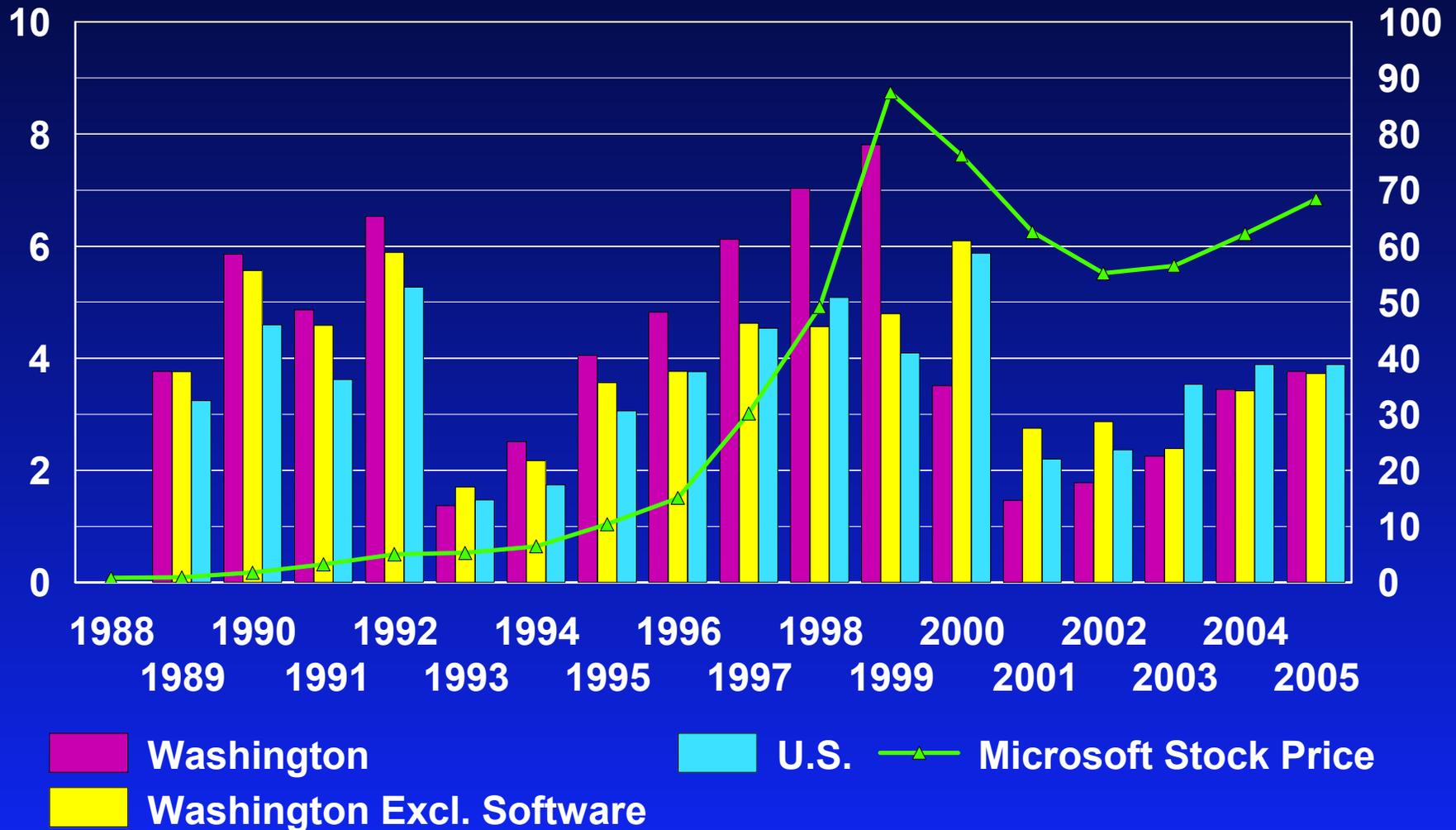
Dot-Com Bust



Construction

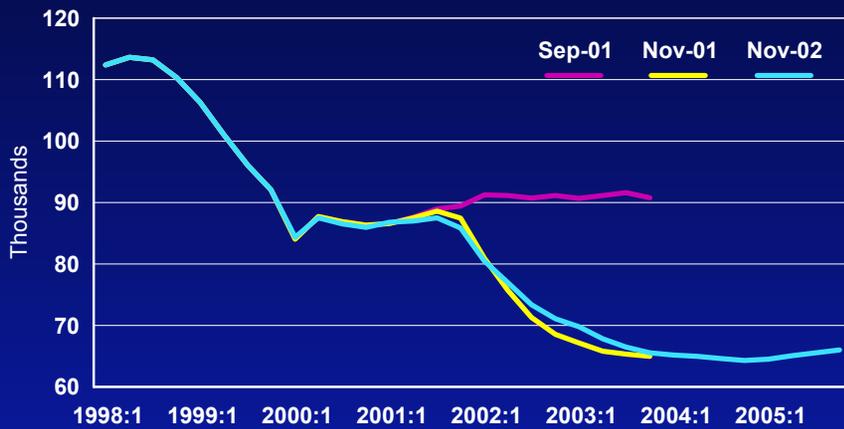


Average Wage Growth

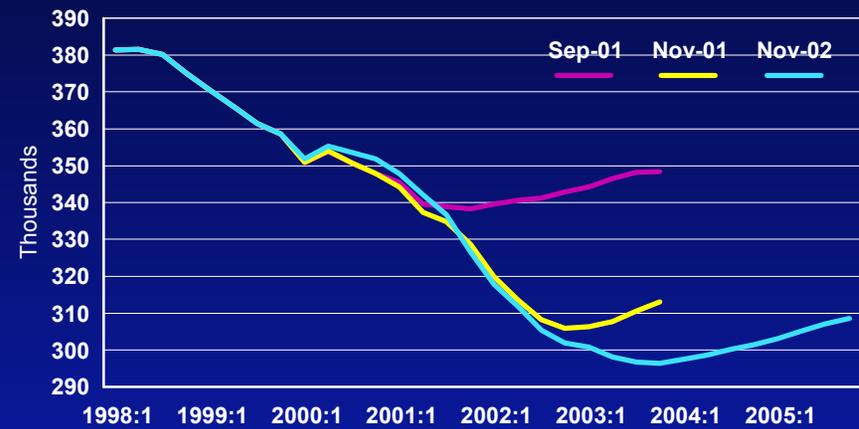


Washington Forecast Comparison

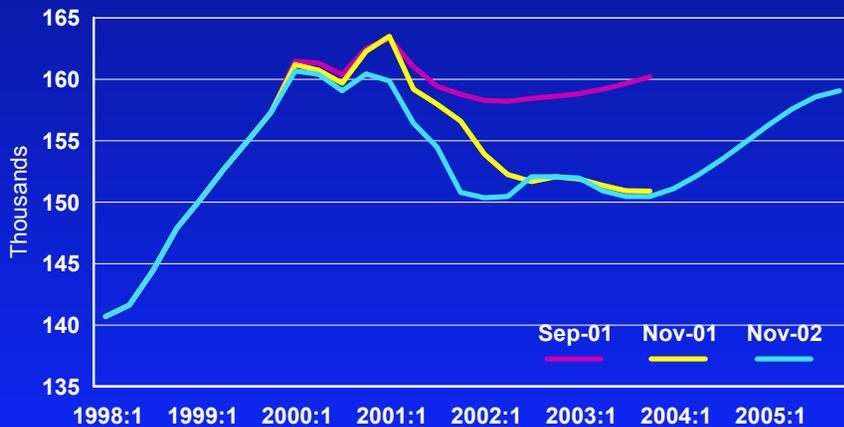
Aerospace Employment



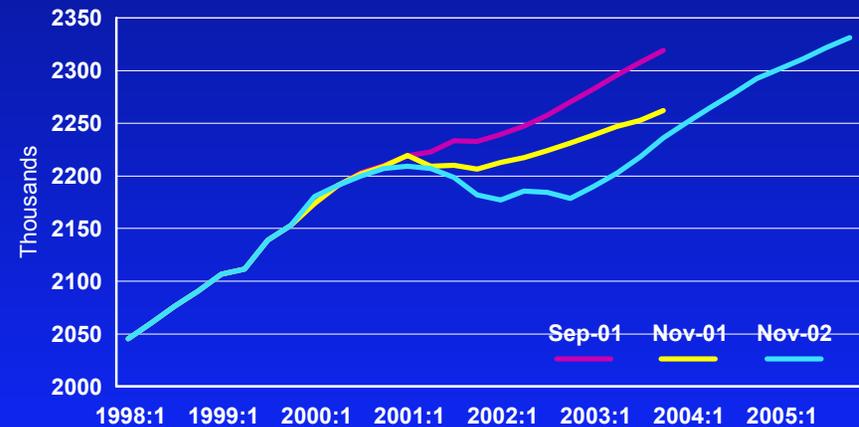
Manufacturing Employment



Construction Employment



Services Producing Employment

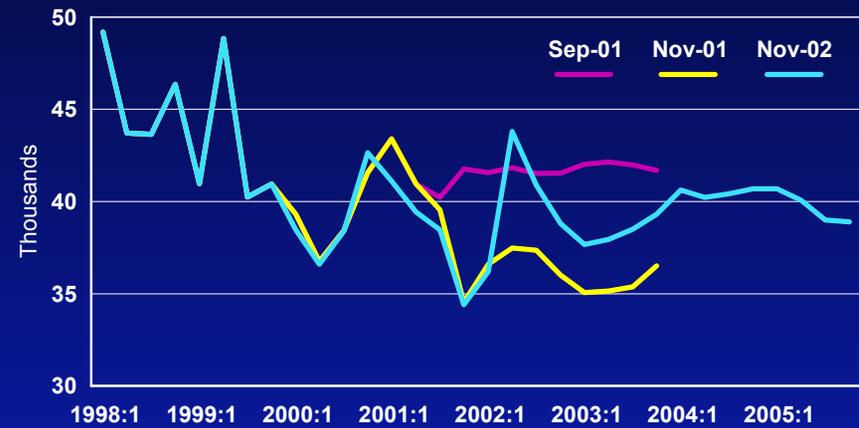


Washington Forecast Comparison

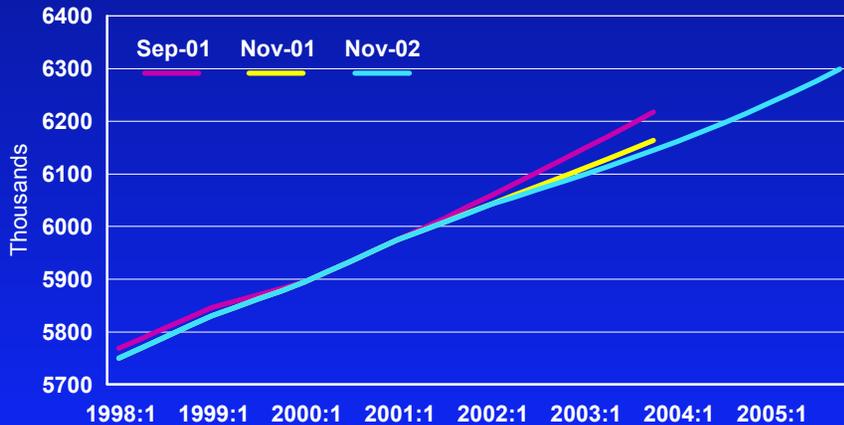
Total Nonfarm Employment



Housing Permits



Population



Unemployment Rate



Washington Forecast Comparison

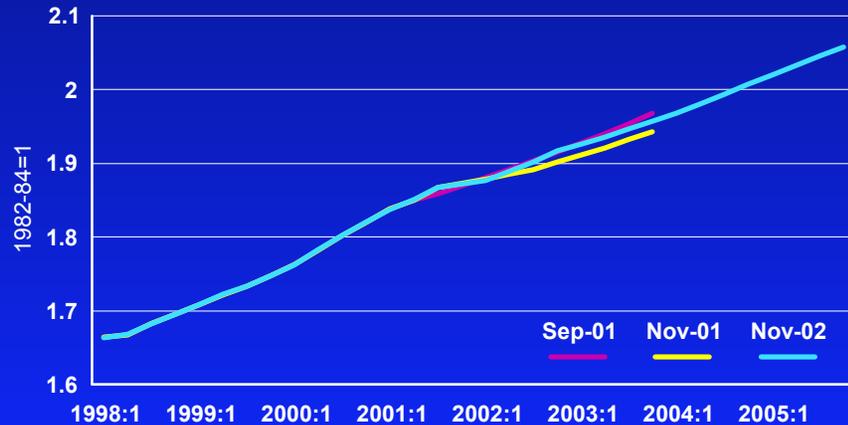
Average Annual Wage



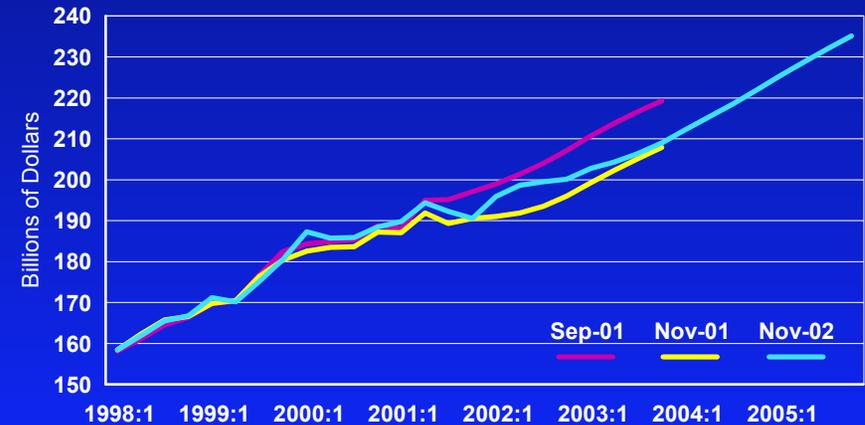
Average Annual Wage (Excl. Software)



Seattle CPI



Personal Income



Comparison of Washington and U.S. Economic Forecasts

Total Payroll Employment



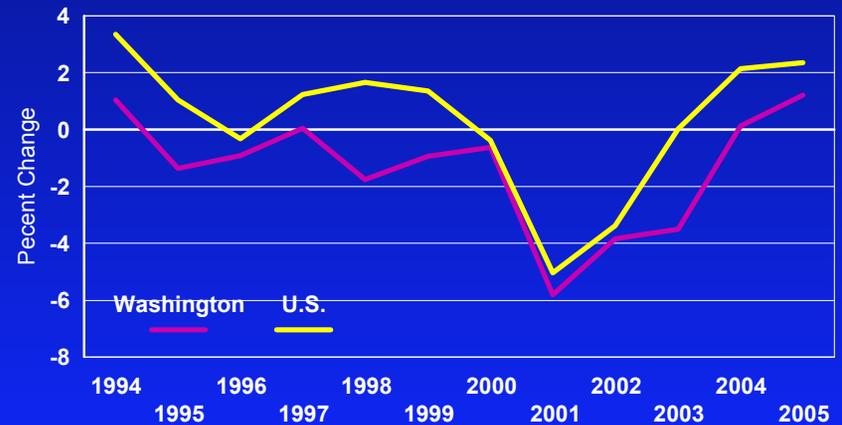
Manufacturing Employment



Aircraft and Parts Employment



Forest Products Employment

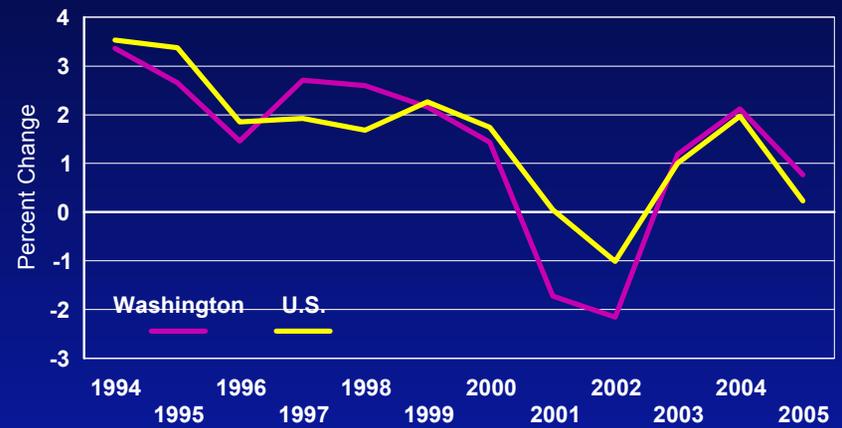


Comparison of Washington and U.S. Economic Forecasts

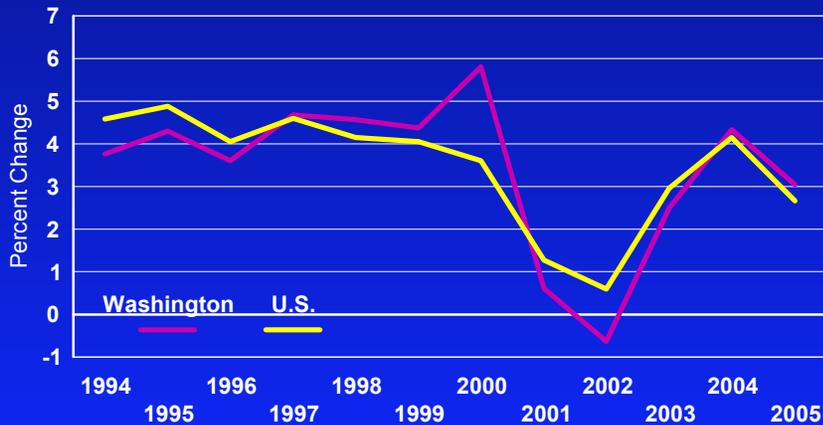
Construction Employment



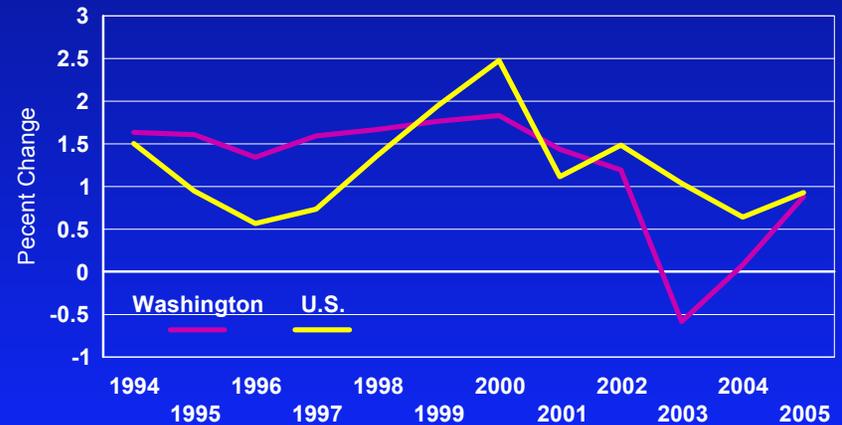
Trade Employment



Services Employment



Government Employment



Comparison of Washington and U.S. Economic Forecasts

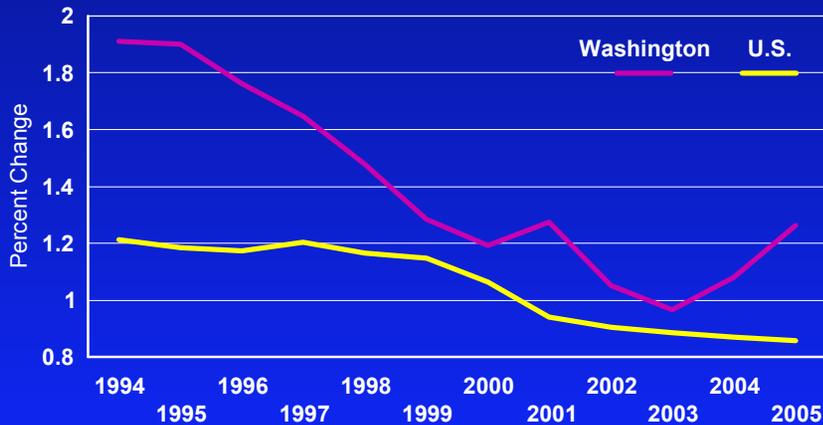
Real Personal Income



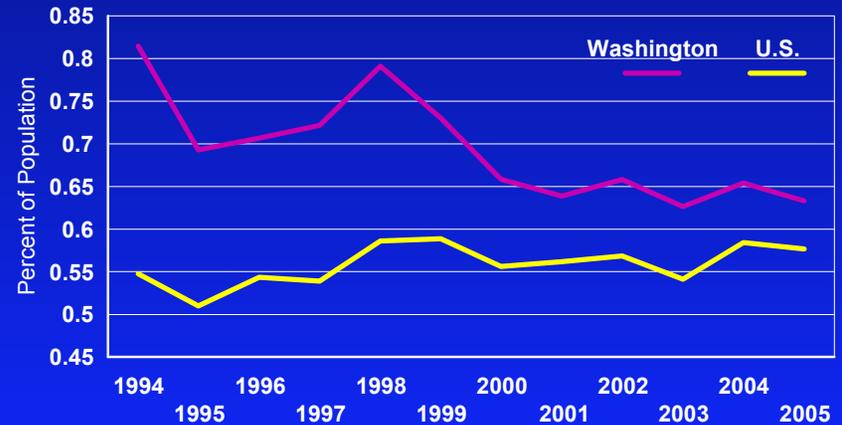
Consumer Price Indices



Population



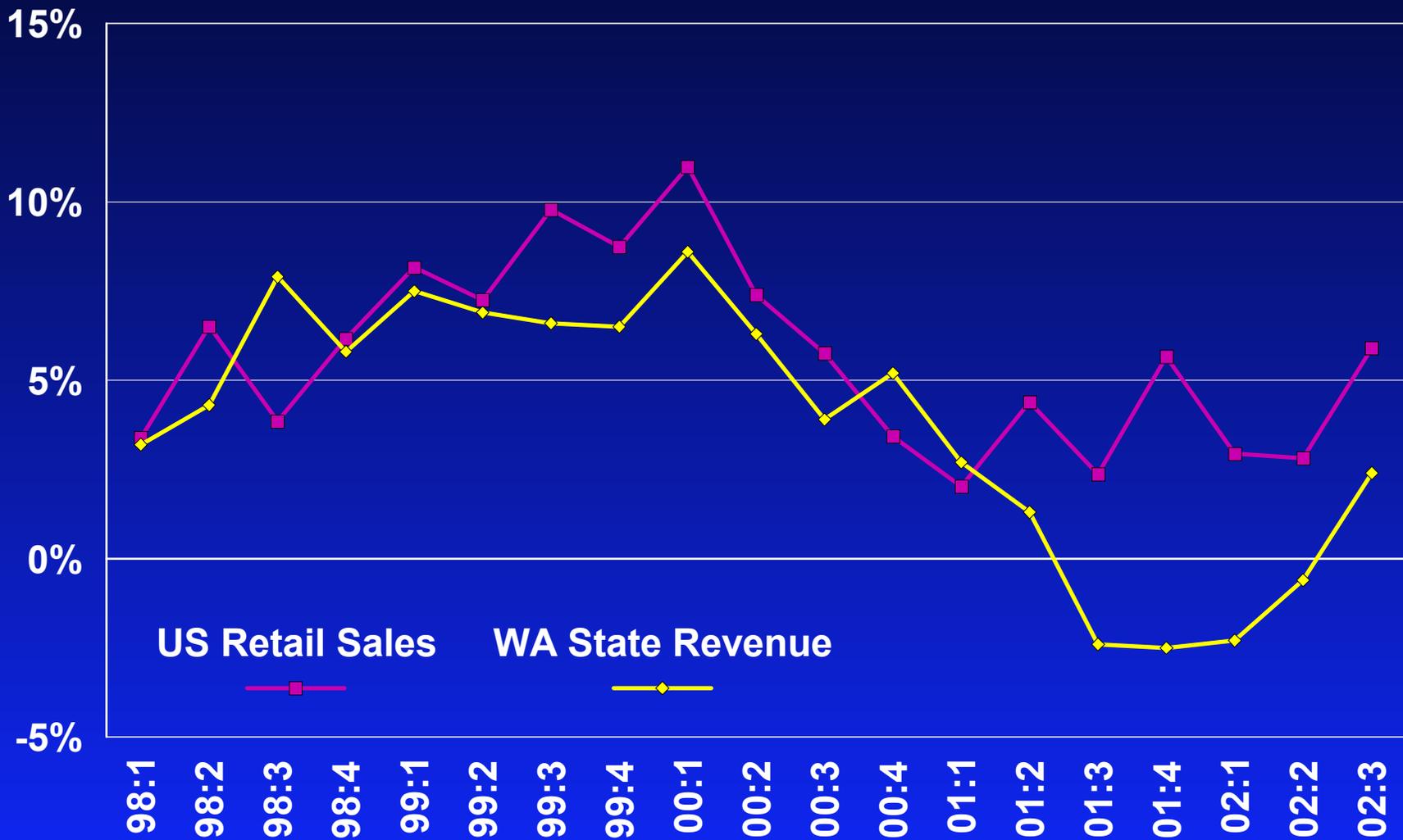
Per Capita Housing Units



Key Washington Economic Variables

	2000	2001	2002	2003	2004	2005
Wage and Salary Employment, %Ch	2.4	-0.6	-1.9	0.7	2.4	2.1
Manufacturing Employment, %Ch	-3.0	-4.2	-8.6	-3.6	0.5	2.2
Construction Employment, %Ch	4.1	-3.0	-2.7	-0.2	1.3	3.3
Services Producing Employment, %Ch	3.1	0.2	-0.8	1.4	2.7	2.0
Unemployment Rate, Percent	5.2	6.4	7.2	7.3	6.8	6.4
Population, %Ch	1.2	1.3	1.1	1.0	1.1	1.3
Housing Permits, Thousands	39.0	38.3	39.9	38.4	40.5	39.7
Personal Income, %Ch	7.2	2.6	3.5	3.6	5.5	6.1

U.S. Retail Sales and Washington Revenue Act Revenue Growth



Track Record for the 2001-03 General Fund-State Cash Forecast

Date of Forecast	Forecast Change	Legislation	Total Change	GF-State Revenue
September 2001				22,022
November 2001	-779	-34	-813	21,209
February 2002	-266	19	-247	20,962
June 2002	85	93	178	21,140
September 2002	-34	0	-34	21,106
Change Since September 2001	(\$994)	\$78	(\$916)	
Percent change	-4.51%	0.35%	-4.16%	